S 1.123:It 1/990
Background Notes, Italy, Oc...

US

Italy

United States Department of State
Bureau of Public Affairs

October 1990

Official Name: Republic of Italy

PROFILE

Geography

Area: 301,225 sq. km. (116,303 sq. mi.); about the size of Georgia and Florida combined. **Cities:** *Capital*—Rome (pop. 2.8 million). *Other cities*—Milan, Naples, Turin. **Terrain:** Mostly rugged and mountainous. **Climate:** Generally mild Mediterranean; cold northern winters.

People

Nationality: *Noun and adjective*—Italian(s). **Population** (mid-1989): 57.5 million. **Annual growth rate** (1988): .2%. **Ethnic groups:** Primarily Italian, but small groups of German-, French-, Slovene-, and Albanian-Italians. **Religion:** Roman Catholic. **Language:** Italian. **Education:** *Years compulsory*—8. *Literacy*—98%. **Health:** *Infant mortality rate* (1987)—9.6/1,000 live births. *Life expectancy*—73 yrs. **Work force** (1988, 24 million; employed 21.1 million): *Agriculture*—10%. *Industry and commerce*—32%. *Services*—58%.

Government

Type: Republic since June 2, 1946. **Constitution:** January 1, 1948.

Branches: *Executive*—president (chief of state), Council of Ministers (cabinet), headed by the president of the council (prime minister). *Legislative*—bicameral parliament; 630-member Chamber of Deputies, 322-member Senate. *Judicial*—independent constitutional court and lower magistracy.

Subdivisions: 94 provinces, 20 regions.

Political parties: Christian Democratic, Communist, Socialist, Italian Social Movement, Social Democratic, Republican, Liberal. **Suffrage:** Universal over 18.

Defense (1989*): 2.1% of GDP.

Flag: Three vertical bands—green, white, and red.

Economy

GDP (1989): [illegible] billion. **Per capita income** (1989): $13,052. **Avg. inflation rate** (last 4 yrs.): 5.5%. **Annual GDP growth:** 3.2%.

Natural resources: Fish, natural gas.

Agriculture: *Products*—wheat, rice, grapes, olives, citrus fruits.

Industry: *Types*—automobiles, machinery, chemicals, textiles, shoes.

Trade (1989): *Exports* (f.o.b.)—$141.1 billion: machinery and transport equipment, textiles, foodstuffs, chemicals, footwear. *Imports* (c.i.f.)—$153.2 billion: machinery and transport equipment, foodstuffs, ferrous and nonferrous metals, wool, cotton, petroleum. *Major trade partners* (1989)—FRG 19%, France 15%, UK 6%, US 7%, USSR 2%, OPEC 6%.

Exchange rate (1989 avg.) 1,372 lira=US$1.

Membership in International Organizations

UN and some of its specialized and related agencies, NATO, Organization for Economic Cooperation and Development (OECD), European Community (EC), Western European Union, Council of Europe, Conference on Security and Cooperation in Europe (CSCE), INTELSAT.

READEX FICHE best copy available

Italy
Railroad
Road
International airport
0 25 50 75 Miles
0 25 50 75 Kilometers
Bolzano
Tarvisio
Udine
Como
Bergamo
Brescia
Vicenza
Treviso
Trieste
Venice
Milan
Verona
Padova
Torino
Piacenza
Parma
Pula
Genoa
Bologna
Ravenna
Savona
La Spezia
Rimini
Adriatic Sea
Monaco
Ligurian Sea
Pisa
Florence
San Marino
Ancona
Livorno
Siena
Perugia
Terni
Pescara
Civitavecchia
Rome
Foggia
Barletta
Bari
Olbia
Porto Torres
Sassari
Napoli
Salerno
Brindisi
Taranto
Otranto
Sardinia
Tyrrhenian Sea
Oristano
Cagliari
Ionian Sea
Messina
Reggio di Calabria
Palermo
Trapani
Catania
Agrigento
Siracusa
Sicily
Mediterranean Sea
Boundary representation is not necessarily authoritative

PEOPLE AND HISTORY

Italy is linguistically and religiously homogeneous but culturally, economically, and politically diverse. Political power is divided among eight or more political parties, ranging from neo-Fascist to communist.

Italy has the fifth highest population density in Europe—about 200 persons per square kilometer (490/sq. mi.). Minority groups are small, the largest being the German-speaking people of Bolanzo Province and the Slovenes around Triests. Other groups comprise ancient communities of Albanian, Gree, Ladino, and French origin. Although Roman Catholicism is the official religion—99% of the people are nominally Catholic—all religious faiths are provided equal freedom before the law by the constitution.

The period of European culture known as the Renaissance began in Italy during the 14th and 15th centuries. Literary achievements—such as the poetry of Petrarch, Tasso, and Ariosto, and the prose of Boccaccio, Machiavelli, and Castiglione; and painting, sculpture, and architecture under the hands of giants such as Leonardo da Vinci, Raphael, Botticelli, Fra Angelico, and Michelangelo exerted a tremendous and lasting influence on the subsequent development of Western civilization. The musical influence of Italian composers from Monteverdi, Palestrina, and Vivaldi proved epochal even before the 19th century, when Italian romantic opera flourished under composers Gioacchino Rossini, Guiseppe Verdi, and Giacomo Puccini. Contemporary Italian artists, writers, filmmakers, architects, composers, and designers make significant contributions to Western culture.

Modern Italian history dates from 1870, with the unification of the entire peninsula under King Victor Emmanuel II of the House of Savoy. From 1870 until 1922, Italy was a constitutional monarchy with a parliament elected under limited suffrage.

During World War I, Italy denounced its standing alliance with Germany and Austria-Hungary and in 1915 entered the war on the side of the Allies. Under the post-war settlement, Italy received some former Austrian territory along the northeast frontier.

In 1922, Benito Mussolini came to power and, over the next few years, eliminated political parties, curtailed personal liberties, and installed a Fascist dictatorship called the Corporate State. The king, with little or no power, remained titular head of state.

Italy allied with Germany and declared war on the United Kingdom and France in 1940. In 1941, Italy—together with the other Axis powers Germany and Japan—declared war on the United States and the Soviet Union. Following theAllied invasion of Sicily in 1943, the king dismissed Mussolini and appointed Marshal Pietro Badoglio as premier. The Badoglio government declared war on Germany. A noteworthy popular resistance movement was conducted against the remaining Germans, who were driven out in April 1945. The monarchy was ended by a 1946 plebiscite, and a constituent assembly was elected to draw up plans for the republic.

Under the 1947 peace treaty, minor adjustments were made in Italy's frontier with France, the eastern border area was transferred to Yugoslavia, and the area around the city of Trieste was designated as a free territory. In 1954, the free territory, which had remained under the administration of US-UK forces (Zone A, including the city of Trieste) and Yugoslav forces (Zone B), was divided between Italy and Yugoslavia, principally along the zonal boundary. This arrangement was made permanent by the Italian-Yugoslav Treaty of Osimo, ratified in 1977. Under the 1947 peace treaty, Italy also gave up its overseas territories and certain Mediterranean islands.

The Roman Catholic Church's position in Italy, since its temporal powers ended in 1870, has been determined by a series of accords with the Italian government. Under the Lateran Pacts of 1929, which were confirmed by the present constitution, Vatican City is recognized by Italy as an independent, sovereign state. While preserving that recognition, in 1984 Italy and the Vatican updated several provisions of the 1929 accords. Included was the end of Roman Catholicism as Italy's formal state religion.

GOVERNMENT

Italy has been a democratic republic since June 2, 1946, when the monarchy was abolished by popular referendum. The constitution, promulgated January 1, 1948, established a bicameral parliament (Chamber of Deputies and Senate), a separate judiciary, and an executive branch composed of a Council of Ministers (cabinet) and headed by the president of the council (prime minister). The Council of Ministers—in practice—composed mostly of members of parliament, must retain the confidence of both houses. The president of the republic is elected for 7 years by the parliament sitting jointly with a small number of regional delegates. The president nominates the prime minister, who chooses the other ministers.

Except for a few senators, both houses of parliament are popularly and directly elected by proportional representation. The Chamber of Deputies has 630 members. In addition to 315 elected members, the Senate includes former presidents and several other persons appointed for life according to special constitutional provisions. Both houses are elected for a maximum of 5 years, but either may be dissolved before the expiration of its normal term. Legislative bills may originate in either house and must be passed by a majority in both.

The Italian judicial system is based on Roman law, modified in the Napoleonic code and subsequent statutes. There is only partial judicial review of legislation in the American sense. A constitutional court, which passes on the constitutionality of laws, is a post-World War II innovation. Its powers, volume, and frequency of decisions are not as extensive as those of the US Supreme Court.

The Italian state is highly centralized in form. The prefect of each of the 94 provinces is appointed by, and is answerable to, the central government. In addition to the provinces, the constitution provides for 20 regions with limited governing powers. Five regions—Sardinia, Sicily, Trentino-Alto Adige, Valle d'Aosta, and Friuli-Venezia Giulia—function with special statutes. The other 15 regions were not established and did not vote for

regional "councils" (parliaments) until 1970. The establishment of regional governments throughout Italy brought greater decentralization of the national governmental machinery.

Principal Government Officials

President—Francesco Cossiga
Prime Minister—Giulio Andreotti
Foreign Minister—Gianni De Michelis

Ambassador to the United States—
Rinaldo Petrignani

Italy maintains an embassy in the United States at 1601 Fuller Street NW., Washington, DC 20009 (tel. 202–328–5500).

POLITICAL CONDITIONS

Political Parties

Italy has about a dozen political parties, some extremely small. The following are the most important, in order of their approximate strength in the Chamber of Deputies deriving from the last general elections in 1987.

The Christian Democratic Party (DC), descendant of the Popular Party of the pre-Fascist era, has been the core of all postwar governments. It represents a wide range of interests and views, which sometimes make it difficult to reach agreement on specific issues. The party won 34.3% of the popular vote in 1987. Party Secretary: Arnaldo Forlani. Official newspaper: *Il Popolo.*

Further Information

Available from the Superintendent of Documents, US Government Printing Office, Washington, DC 20402:

American University. *Area Handbook for Italy.* 1987.
US Department of Commerce."Italy." *Foreign Economic Trends and Their Implications for the United States.* Semiannual.
_____. "Marketing in Italy." *Overseas Business Reports.* Periodical.

The Italian Communist Party (PCI), which took 26.6% of the vote in the 1987 elections, has begun a process leading to the formation of a new party. The PCI is considering changing its name to the "Democratic Party of the Left," and its leader has stated that policy changes also will take place. These changes are in reaction to the overthrow of communist regimes in Eastern Europe and to the declining trend in PCI electoral results. Secretary General: Achille Occhetto. Newspaper: *L'Unita.*

The Italian Socialist Party (PSI) has moved toward the center of the Italian political spectrum under the leadership of Party Secretary Bettino Craxi. It won 14.3% of the 1987 vote. After the 1983 parliamentary elections, Craxi became the first socialist prime minister in Italy's history, heading a government composed of Christian Democrats, Republicans, Liberals, and Social Democrats. Party Secretary: Benedetto (Bettino) Craxi. Newspaper: *Avanti!*

The Italian Social Movement (MSI), on the right, has older members imbued with the traditions of fascism. The movement received 5.9% of the popular vote in 1987. Political Secretary: Giuseppi Rauti. Newspaper: *Il Secolo.*

The small Italian Republican Party (PRI) traditionally has supported republican institutions and polled 3.7% of the vote in 1987. Party Secretary Giovanni Spadolini became the first non-DC prime minister of the postwar era in June 1981. Party Secretary: Giorgio La Malfa. Newspaper: *La Voce Repubblicana.*

The Italian Social Democratic Party (PSDI) polled 3% of the vote in 1987. Party Secretary: Antonio Cariglia. Newspaper: *Umanita.*

The Italian Liberal Party (PLI) reflects classical European liberalism in the sense of an orientation toward capitalism, individualism, and free enterprise. The PLI has evolved into a small but widely respected party of conscience occupying a center-right niche in the Italian political spectrum. They received 2.9% of the popular vote in 1983 and 2.1% in 1987. Secretary: Renato Altissimo.

The Radical Party has formally adopted the name "European Federalists." The party secretaryship is held for a 6-month period by various members of the party leadership. The party has helped influence social change in Italy by sponsoring referenda on divorce and abortion. It garnered 2.6% of the vote in 1987.

The Greens Party entered parliament for the first time in 1987 with 13 deputies and one senator. The party, which campaigned on an anti-nuclear and environmentalist platform, won 2.5% of the vote. A loosely organized alliance of environmentalist and peace groups, the Greens have resisted the label of "political party."

Post-war Conditions

Despite frequent government turnovers, the Italian political situation has been relatively stable, principally because of the continuity of the DC as Italy's party of relative majority. Italian governments have consistently formed around the DC, which since 1945 has governed either in coalition with other parties or alone. Three DC leaders—the late Premier Alcide de Gasperi, former Premier Amintore Fanfani, and the late Premier Aldo Moro—dominated the Italian political scene for most of that time.

In August 1983, PSI leader Bettino Craxi became prime minister, remaining in that office for two terms until March 1987. The first term was longer than that served by any other Italian prime minister since the war. Early elections were called in June 1987. In these elections the PSI continued to gain ground on the PCI while the Christian Democrats held at slightly more than one-third of the total vote. There have been three Christian Democratic-led government in this, Italy's 10th post-war legislature. The current Andreotti cabinet took office in July 1989.

ECONOMY

The Italian economy has changed dramatically since the end of World War II. From an agriculturally based economy, it has developed into an industrial state. Italy's economic importance is clear from its inclusion in

the Group of Seven countries. It is a member of the European Community and the OECD.

Italy has few natural resources. Much of the land is unsuited for farming; therefore, it is a net food importer. There are no substantial deposits of iron, coal, or oil. Natural gas reserves, mainly in the Po Valley and offshore Adriatic, have grown in recent years and constitute the country's most important mineral resource. Most raw materials needed for manufacturing and more than 80% of the country's energy sources are imported. Italy's economic strength is in the processing and the manufacturing of goods, primarily in small, family-owned firms. Its major industries are precision machinery, motor vehicles, chemicals, pharmaceuticals, electrical goods, and fashion and clothing.

In 1989, Italy enjoyed another year of economic growth above 3%. This trend should continue into 1990, although growth of private consumption should slow, in part from government efforts to ease inflationary pressures.

Inflation was 6% in 1989. The prime reasons for this rise were increases in taxes and public sector fees connected with the 1989 budget and external developments such as increases in commodity prices and the appreciation of the dollar. Monetary pressures and strong domestic demand for goods and services were additional factors. Wage increases outpaced cost of living increases.

Continued efforts by the Italian government to reduce the relative size of the public-sector budget deficit have been frustrated. The Italian deficit/GDP ratio is well above the rest of the group of major industrial economies and remains its chief economic problem. The deficit's size complicates Italy's efforts to coordinate its economic policies with those of its major European partners.

As the end 1992 date for the EC's single market plan approaches, Italy is making an effort not only to align its economic policies with those of the other major continental economies but also to implement a series of reforms to enable Italian business to compete effectively.

Houston Economic Summit, July 9–11, 1990

President Bush hosted the 16th annual G-7 summit for the leaers of the major industrialized democracies—Canada, the Federal Republic of Germany, France, Italy, Japan, the United Kingdom, and the United States—and the president of the European Community, in Houston, Texas, July 9–11.

The summit was held against the backdrop of movement toward democracy and freer markets in many parts of the world, including elections in Eastern Europe and Nicaragua, increasing momentum toward German unification, and political reforms in the Soviet Union. The summit leaders agreed on most international economic and political issues, but intense discussions were needed on agricultural subsidies in the Uruguay Round of multilateral trade negotiations, economic assistance to the Soviet Union, and global warming before consensus could be reached.

Economic Accomplishments

- Agreement on progressive reductions in internal and external support and protection of agriculture and on a framework for conducting agricultural negotiations in order to successfully conclude by December 1990 the Uruguay Round of multilateral trade talks under the auspices of the General Agreement on Tariffs and Trade (GATT).
- Request to the International Monetary Fund (IMF), the World Bank, the Organization for Economic Cooperation and Development, and the European Bank for Reconstruction and Development to undertake, in close coordination with the European Community (EC), a study of the Soviet economy, to make recommendations, to establish the criteria under which Western economic assistance could effectively support Soviet reforms, and to submit a report by the end of 1990.
- Support for aid to Central and Eastern European nations that are firmly committed to political and economic reform, including freer markets, and encouragement of foreign private investment in those countries and improved markets for their exports by means of trade and investment agreements.
- Pledge to begin negotiations, to be completed by 1992, on a global forest convention to protect the world's forests.

Political Accomplishments

- Promotion of democracy throughout the world by assisting in the drafting of laws, advising in fostering independent media, establishing training programs, and expanding exchange programs.
- Endorsement of the maintenance of an effective international nuclear nonproliferation system, including adoption of safeguards and nuclear export control measures, and support for a complete ban on chemical weapons.

Foreign Trade

Italy's closest trade ties are with the other countries of the European Community. In the 1980s, with the help of lower oil prices, Italy reduced its trade with the Organization of Petroleum Exporting Countries' member nations from a peak of 21% of total imports in 1981 to 6% for 1989.

US-Italy Economic Relations

Italy is the fourth largest trading partner of the United States in Western Europe. The United States has a significant trade deficit with Italy, however. The composition of US-Italy trade is changing; coal was overtaken by office machinery and aircraft as the principal US export to Italy.

This change reveals the growing sophistication of the Italian market. The growing trade relationship can be developed further.

Italians are by far Europe's largest savers, and they are now enjoying their newly acquired wealth. US businesses selling in Italy should concentrate on high added-value, high-quality products, which are less vulnerable to exchange rate variations, and ensure a long-term commitment on the part of the importer. The ongoing liberalization of exchange controls should allow easier payment terms for Italian importers.

Labor

A rigid labor market and protective legislation for employed workers exacerbate unemployment in Italy, which remains its major problem, particularly among younger workers. Although skilled labor is in short supply in some categories, inefficient use of labor, structural unemployment, and underemployment persist, as does labor unreported for tax purposes.

Travel Notes

Clothing: Woolens and sweaters are practical most of the year; cottons are recommended for the hot summers.

Currency: Nonresidents can leave the country with only 1 million lire and 5 million lire worth of other currencies. Larger amounts may be exported as long as they have been declared upon entering the country.

Health: Medical facilities are available in cities. No special immunizations are necessary. Tapwater is safe. Meat, fruit, vegetables, and shellfish should be well-prepared.

Telecommunications: Telephone and telegraph connections within Italy and to international points are good. Rome is six standard time zones ahead of eastern standard time.

Transportation: Many major international airlines have service to Rome and Milan. There is daily jet service to the United States. Public transportation is modern, efficient, and reasonably priced. Metered taxis are inexpensive and usually available at stands.

No Italian visa is required of American citizens visiting Italy temporarily for tourism or business trips. Persons planning to travel to Italy for work or other purposes should inquire about their visa status in advance at an Italian embassy or consulate.

About 28% of the labor force is unionized. The communist-dominated Italian General Confederation of Labor controls 47% of organized labor; the Christian Democratic-oriented Italian Confederation of Workers' Unions, about 35%; and the socialist-oriented Italian Union of Labor about 18%.

The average unemployment rate in 1989 was 12%, the same as in 1988. Unemployment in the north was about 6%; in the center, about 10%; and in the south, about 20%. In addition, persons under 30 accounted for 70% of the unemployed.

Agriculture

Italy's agriculture is typical of the division between the agricultures of the northern and southern countries of the European Community. The northern part of Italy produces primarily grains, sugar beets, soybeans, meat, and dairy products, while the southern section specializes in producing fruits, vegetables, olive oil, wine, and durum wheat.

Even though much of its mountainous terrain is unsuitable for farming, Italy has a large work force (2.1 million) employed in farming. Most farms are small, with the average farm only 7 hectares.

FOREIGN RELATIONS

Italy has achieved its basic postwar objective of equality and partnership in the community of democratic nations. It was admitted to the United Nations in 1955. It is a member and strong supporter of the North Atlantic Treaty Organization (NATO), the OECD, the General Agreement on Tariffs and Trade (GATT), Conference on Security and Cooperation in Europe (CSCE), and the EC. Italy also is active in the Western European Union and the Council of Europe.

DEFENSE

A staunch NATO ally, Italy occupies an important strategic position in the Mediterranean, guarding the southern flank of Europe and serving as a bridge to North Africa and the Middle East. Recent Italian governments have taken a leading role among the allies on such important defense initiatives as the deployment of intermediate-range nuclear forces. They also have recognized the need to enhance Italy's military posture and have taken significant steps in that direction.

US-ITALY RELATIONS

The United States enjoys warm and friendly relations with Italy. The two are NATO allies and cooperate in the United Nations, in various regional organizations, and, bilaterally, for peace, prosperity, and defense. Italy recently has shown a willingness to work closely with the United States and others on issues beyond NATO's traditional area of responsibility, such as participating in Middle East peacekeeping and in combating terrorism.

Principal US Officials

Ambassador—Peter F. Secchia
Deputy Chief of Mission—Daniel P. Serwer
Political Affairs—John S. Brims
Economic Affairs—Kevin McGuire
Public Affairs—Jodie Lewinsohn
Commercial Affairs—Emilio Iodice
Agricultural Attache—Frank Piason
Treasury Attache—Llewellyn Pascoe
Defense Attache—Capt. James Chandler, USN

Consular Posts
Consul General, Florence—Marisa R. Lino
Consul General, Genoa—Anthony Leggio
Consul General, Milan—Peter Semler
Consul General, Naples—Emil P. Ericksen
Consul General, Palermo—Luciano Mangiafico

The US Embassy in Italy is located at Via Veneto 119, Rome (tel. (39)(6) 46741). ■

Published by the United States Department of State • Bureau of Public Affairs • Office of Public Communication • Washington, DC • October 1990 Editor: Juanita Adams

Department of State Publication 9542 Background Notes Series • This material is in the public domain and may be reproduced without permission; citation of this source is appreciated.

For sale by the Superintendent of Documents, US Government Printing Office, Washington, DC 20402

Dispatch — New Weekly Record Chronicles US Foreign Policy

The *US Department of State Dispatch* chronicles US foreign policy like no other publication. Containing original source material, indexed every 6 months, and available in subscription options to meet your information needs, *Dispatch* includes:

- ✔ Speeches and congressional testimony by the President, Secretary of State, and others;
- ✔ Fact sheets on critical international issues and organizations;
- ✔ Analyses of complex foreign policy issues;
- ✔ Maps and profiles of countries in the news;
- ✔ Updates on US initiatives in the Middle East, Central and Eastern Europe, and other regions;
- ✔ US treaty actions, ambassadorial appointments, and more...

Timely.
Authoritative.
Easy to use.

***Dispatch* will keep you on the leading edge of US foreign affairs.**

Dispatch puts professionals and students in the fields of international relations, law, and the media on the inside track to understanding US foreign affairs.

Subscription options include first and third-class ***and*** overnight delivery. In the near future, *Dispatch* will be available by electronic means as well. Use the subscription information at the bottom of the page to begin receiving your copy of *Dispatch* today !

Annual subscriptions now available from:

Superintendent of Documents, Government Printing Office (*$75 third class; $142 first class—call 202-783-3238)*

National Technical Information Service, Department of Commerce (*$142 first class; $430 overnight—call 703-487-4630)*